

Company Registration No. 3312220 (England and Wales)

ROCKSTAR NORTH LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2001



ROCKSTAR NORTH LIMITED

COMPANY INFORMATION

Directors	K Sumner B Rutcofsky (Appointed 1 December 2000)
Secretary	B Rutcofsky
Company number	3312220
Registered office	Saxon House 2-4 Victoria Street Windsor Berkshire SL4 1EN
Auditors	Johnston & Co, Chartered Accountants 9-11 Register Street Bo'ness EH51 9AE
Business address	Suites 2/1 & 2/2 Links House 15 Links Place Edinburgh EH6 7EZ
Bankers	Llyods TSB Scotland Meadowside Dundee
Solicitors	Shepherd & Wedderburn WS Saltire Court 20 Castle Street EDINBURGH EH1 2ET

ROCKSTAR NORTH LIMITED

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ROCKSTAR NORTH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2001

The directors present their report and financial statements for the year ended 31 October 2001.

Principal activities

The principal activity of the company continued to be that of the conception and development of entertainment software.

Results and Dividends

The results for the year are set out on pages 4-5.

The directors do not recommend payment of a dividend.

Directors

The following directors have held office since 1 November 2000:

K Sumner

B Rutcofsky

(Appointed 1 December 2000)

G Tucker

(Resigned 1 December 2000)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 October 2001	1 November 2000
K Sumner	-	-
B Rutcofsky	-	-

The interest of the directors in the shares of the parent company are shown in the accounts of that company.

The company's Articles of Association do not require directors to retire by rotation.

Research and development

The company is committed to product development with the aim of increasing the group's market share.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Johnston & Co, Chartered Accountants be reappointed as auditors of the company will be put to the Annual General Meeting.

ROCKSTAR NORTH LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2001

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 27.12.03 and signed on its behalf by



K Sumner

Director

Date: 27.12.03

ROCKSTAR NORTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROCKSTAR NORTH LIMITED

We have audited the financial statements of Rockstar North Limited on pages 4 to 10 for the year ended 31 October 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Johnston & Co

Chartered Accountants
Registered Auditors

30. 1. 2003

9-11 Register Street
Bo'ness
EH51 9AE

ROCKSTAR NORTH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2001

	Notes	2001 £	2000 £
Turnover	2	2,708,992	2,117,908
Cost of sales		(1,293,684)	(1,046,080)
Gross profit		1,415,308	1,071,828
Administrative expenses		(1,090,180)	(1,185,543)
Operating profit/(loss)	3	325,128	(113,715)
Profit loss on sale of tangible assets	3	(147,862)	3,589
Profit/(loss) on ordinary activities before interest		177,266	(110,126)
Interest payable and similar charges	4	(42)	(233)
Profit/(loss) on ordinary activities before taxation		177,224	(110,359)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation	12	177,224	(110,359)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

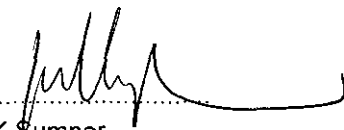
There are no recognised gains and losses other than those passing through the profit and loss account.

ROCKSTAR NORTH LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2001

	Notes	2001		2000	
		£	£	£	£
Fixed assets					
Tangible assets	6		497,204		531,221
Current assets					
Debtors	7	59,297		129,316	
Cash at bank and in hand		28,246		114,916	
		<u>87,543</u>		<u>244,232</u>	
Creditors: amounts falling due within one year	8	<u>(259,436)</u>		<u>(114,236)</u>	
Net current (liabilities)/assets			<u>(171,893)</u>		<u>129,996</u>
Total assets less current liabilities			325,311		661,217
Creditors: amounts falling due after more than one year	9		<u>(2,631,615)</u>		<u>(3,144,745)</u>
			<u>(2,306,304)</u>		<u>(2,483,528)</u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		<u>(2,306,305)</u>		<u>(2,483,529)</u>
Shareholders' funds - equity interests	13		<u>(2,306,304)</u>		<u>(2,483,528)</u>

The financial statements were approved by the Board on 27.1.2003


K Sumner
Director


B Rutkowski
Director

ROCKSTAR NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards. There were no material departures from those standards. The company has consistently applied all relevant accounting standards.

The company's ultimate parent, Take Two Interactive Software, Inc., has confirmed that it will continue to provide such financial support as the company may need from time to time, for the foreseeable future to enable it to continue to trade and meet its liabilities as they fall due.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

The company's turnover represents the value of goods and services supplied in the conception and development of entertainment software.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Straight line over 7 years.
Computer equipment	33 % straight line basis
Fixtures, fittings & equipment	20% straight line basis
Motor vehicles	20% straight line basis

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of DMA Design Holdings Limited, a company incorporated in England.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

ROCKSTAR NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Operating profit/(loss)	2001	2000			
	£	£			
Operating profit/(loss) is stated after charging:					
Depreciation of tangible assets	242,648	327,907			
Operating lease rentals					
- Plant and machinery	4,177	3,005			
- Other assets	174,057	184,097			
Auditors' remuneration	22,500	1,600			
	<u> </u>	<u> </u>			
4 Interest payable	2001	2000			
	£	£			
On bank loans and overdrafts	42	233			
	<u> </u>	<u> </u>			
5 Taxation					
On the basis of these financial statements and the company having trading losses brought forward, no provision has been made for corporation tax.					
6 Tangible fixed assets					
	Leasehold building	Computer equipment	Fixtures & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2000	7,243	1,053,868	54,350	42,718	1,158,179
Additions	140,326	215,103	13,210	-	368,639
Disposals	-	(212,767)	-	(36,943)	(249,710)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 October 2001	147,569	1,056,204	67,560	5,775	1,277,108
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 November 2000	-	573,088	29,250	24,620	626,958
On disposals	-	(66,666)	-	(23,036)	(89,702)
Charge for the year	17,791	209,623	12,782	2,452	242,648
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 October 2001	17,791	716,045	42,032	4,036	779,904
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 October 2001	129,778	340,159	25,528	1,739	497,204
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 October 2000	7,243	480,780	25,100	18,098	531,221
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
7 Debtors	2001	2000			
	£	£			
Amounts owed by parent and fellow subsidiary undertakings	-	3,976			
Other debtors	59,297	125,340			
	<u> </u>	<u> </u>			
	59,297	129,316			
	<u> </u>	<u> </u>			

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8	Creditors: amounts falling due within one year	2001	2000
		£	£
	Trade creditors	178,063	34,187
	Taxes and social security costs	44,110	41,320
	Accruals and deferred income	37,263	38,729
		<u>259,436</u>	<u>114,236</u>
9	Creditors: amounts falling due after more than one year	2001	2000
		£	£
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,631,615	3,144,745
		<u>2,631,615</u>	<u>3,144,745</u>
	Analysis of loans		
	Not wholly repayable within five years other than by instalments	2,631,615	3,144,745
		<u>2,631,615</u>	<u>3,144,745</u>
	Loan maturity analysis		
	In more than five years	2,631,615	3,144,745
		<u>2,631,615</u>	<u>3,144,745</u>
10	Pension costs		
	Defined contribution		
		2001	2000
		£	£
	Contributions payable by the company for the year	84,058	28,518
		<u>84,058</u>	<u>28,518</u>
11	Share capital	2001	2000
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1 Ordinary shares of £ 1 each	1	1
		<u>1</u>	<u>1</u>

ROCKSTAR NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2000	(2,483,529)
Retained profit for the year	177,224
	<hr/>
Balance at 31 October 2001	(2,306,305)
	<hr/>

13 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit/(Loss) for the financial year	177,224	(110,359)
Opening shareholders' funds	(2,483,528)	(2,373,169)
	<hr/>	<hr/>
Closing shareholders' funds	(2,306,304)	(2,483,528)
	<hr/>	<hr/>

14 Financial commitments

At 31 October 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Within one year	70,672	-	282	282
Between two and five years	-	70,672	4,716	4,716
In over five years	125,828	125,828	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	196,500	196,500	4,998	4,998
	<hr/>	<hr/>	<hr/>	<hr/>

ROCKSTAR NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2001 Number	2000 Number
48	62

Employment costs

	£	£
Wages and salaries	1,283,103	1,239,318
Social security costs	135,309	153,168
Other pension costs	84,058	28,518
	<u>1,502,470</u>	<u>1,421,004</u>

16 Control

The ultimate parent company and controlling party of the company is Take Two Interactive Software, Inc, a company registered in the United States of America. Copies of the group financial statements are available from 622 Broadway, 5th Floor, New York, NY 10012, United States of America.

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.